

Message Text

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TO AMEMBASSY NAIROBI

C O N F I D E N T I A L STATE 189704

STADIS//////////

TOECO 32

FOLLOWING REPEAT THE HAGUE 4161 ACTION SECSTATE INFO
OECD PARIS 21 SEPT

QUOTE

C O N F I D E N T I A L THE HAGUE 4161

STADIS

E.O. 11652: XGDS

TAGS: ENRG, OECD

SUBJ: PROSPECTS OF AGREEMENT IN GROUP ON OIL SHARING
OF HIGH LEVEL GROUP OF OIL COMMITTEE

REF: OECD PARIS 24376

SUMMARY: CHAIRMAN OF WORKING GROUP IS VERY PESSIMISTIC
ABOUT REACHING AGREEMENT ON EMERGENCY SHARING OF OIL UNLESS
USDEL HAS SOME FLEXIBILITY FOR NEGOTIATION AT NEXT MEETING.
ACTION: SEE PARA 5 AND 6. END SUMMARY.

1. AT MEETING ON ANOTHER MATTER 19 SEPTEMBER WITH VAN RHIJN,
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CHAIRMAN OF OECD WORKING GROUP ON OIL SHARING, HE BROUGHT UP

SUBJECT OF POSSIBLY SERIOUS DIFFICULTIES IN REACHING AGREED RECOMMENDATIONS TO BE SUBMITTED TO OIL COMMITTEE. ACCORDING TO HIS REVIEW, WORKING GROUP WAS ORGANIZED AND BEGAN WORK WITH STRONG SUPPORT AND SENSE OF URGENCY FROM USDEL TO OIL COMMITTEE. GROUP ORIGINALLY SCHEDULED FOUR MEETINGS TO PREPARE RECOMMENDATIONS, THE LAST FOR 26-27 SEPT, WITH REPORT TO BE SUBMITTED 15 OCTOBER. SUBSTANTIVE WORK BEGAN IN SECOND MEETING AT END OF AUGUST. JAPANESE ACTIVITY AT MEETING WAS PARTICULARLY NOTED AS POSITIVE DEVELOPMENT. AMERICAN RAPPORTEUR PRESENTED PAPAER ON POSSIBLE COMPROMISES BETWEEN IMPORTS AND CONSUMPTION AS BASIS FOR STUDY, BUT USDEL WAS UNABLE MAKE SUBSTANTIVE INPUT, APPARENTLY LACKING INSTRUCTIONS.

3. THIRD MEETING OCCURRED 11-12 SEPTEMBER. AS RELATED BY VAN RHIJN, USDEL STILL HAD NO INSTRUCTIONS AND WAS UNABLE TO ENTER SUBSTANTIVE NEGOTIATION. FURTHERMORE, REGARDING TIMING OF FOURTH AND LAST MEETING, VAN RHIJN LEARNED IN PRIVATE CONVERSATION WITH BENNSKY THAT LATTER WOULD BE UNABLE TO ATTEND IN LATE SEPTEMBER OWING TO OTHER COMMITMENTS. CHAIRMAN WAS DISTURBED OVER LACK OF USG INTEREST IMPLIED BY INABILITY TO NEGOTIATE SUBSTANTIVELY AND BY CONFLICT OF ATTENDANCE AT MEETING SCHEDULED TWO MONTHS IN ADVANCE. HE DEDUCED NOTABLE CONTRAST WITH ORIGINAL USG POSITION AS A PRIME MOVER TOWARD GROUP'S OBJECTIVE. WHILE JAPANESE SEEMED READY TO WORK OUT COMPROMISE SOLUTION, IT SEEMED TO CHAIRMAN THAT GROUP WOULD BECOME DISILLUSIONED AND MOMENTUM LOST AS LACK OF PROGRESS AND INTEREST ON US PART BECAME APPARENT. THEREFORE DISCUSSION IN OPEN MEETING WAS CONDUCTED IN MANNER TO AVOID REVEALING US INABILITY TO MOVE TOWARD AGREEMENT AND LOGICAL REASON WAS FOUND TO POSTPONE FOURTH MEETING UNTIL 11-12 OCTOBER. FIFTH MEETING AT END OCTOBER WAS ALSO ADDED TO SCHEDULE.

3. IN CHAIRMAN'S VIEW IT IS IMPERATIVE FOR GROUP TO MOVE TOWARD AGREED RECOMMENDATION AT NEXT MEETING. THERE IS ALREADY ENOUGH WORRY AMONG SOME MEMBERS THAT THEIR COUNTRIES WILL BECOME UNDULY INVOLVED IN US POLITICAL PROBLEMS WITH MIDDLE EAST SO THAT WORK IN THE SHARING COMMITTEE COULD WELL FAIL. IF USG HAS SERIOUS PROBLEM IN ARRIVING AT COMPROMISE SOLUTION, CHAIRMAN WOULD APPRECIATE OPPORTUNITY TO TALK OVER CONFIDENTIAL

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MATTER IN DEPTH. OTHERWISE HE HOPES THAT MID-OCTOBER SCHEDULE WILL PROVIDE SUFFICIENT TIME FOR USG TO REACH POSITION WHICH WILL ACCOMMODATE SERIOUS CONCERNS OF EUROPEANS AND JAPANESE. HE STRESSES IT VITAL TO HAVE JAPANESE PARTICIPATION IN AGREEMENT AS WELL AS US AND ALL OTHER MAJOR CONSUMERS.

4. IN RESPONSE TO VAN RHIJN'S IMPLIED QUESTION OF WHAT WAS GOING ON IN WASHINGTON, WE POINTED TO PROBABLY MAJOR DIFFI-

CULTY WITHIN USG TO MOVE FROM IMPORTATION RECORD TOWARD CONSUMPTION NEEDS AS BASIS FOR SHARING. VAN RHIJN IS APPARENTLY CONVINCED, ON OTHER HAND, THAT WORK OF COMMITTEE WILL FALL FLAT, WITH ALL ITS IMPLICATIONS RE OTHER FORMS OF ENERGY COOPERATION, UNLESS BOTH US AND JAPAN CAN AGREE TO ACCOMMODATE THEIR POSITIONS.

5. COMMENT: WE WOULD SUGGEST EITHER (A) THAT EMBASSY BE GIVEN SOME ASSURANCE OF SERIOUS USG CONSIDERATION OF NEEDS OF OTHER PARTIES TO BE COMMUNICATED TO CHAIRMAN OR (B) THAT ARRANGMENT BE MADE FOR EARLY CONSULTATION BETWEEN CHAIRMAN AND ONE OR MORE KEY US OFFICIALS.

6. WE ASSUME DEPT WILL MAKE LATERAL DISTRIBUTION OF THIS MESSAGE IN ITS DISCRETION. TANGUY UNQUOTE RUSH

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